



ARKANSAS INSURANCE DEPARTMENT  
ACCOUNTING DIVISION  
1200 WEST THIRD STREET  
LITTLE ROCK, AR 72201-1904  
PHONE (501) 371-2605  
<http://www.arkansas.gov/insurance/>

**PREMIUM TAX FILING INSTRUCTIONS**  
**DOMESTIC LIFE & ACCIDENT & HEALTH INSURERS ONLY**

**READ THESE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE FORMS:**

**DUE DATE: MARCH 1, 2005**

**EACH INSURER MUST FILE THE FOLLOWING:**

- 1. 2004 FORM AID AC LD-T(D) (ANNUAL REPORT OF PREMIUMS, TAXES AND FEES);  
WITH CHECK ATTACHED**
- 2. 1 COPY OF 2004 ARKANSAS STATE BUSINESS PAGE**
- 3. 1 COPY OF SCHEDULE T**
- 4. DOCUMENTATION FOR SCHEDULE B**

All tax filings and payments must be received on or before **March 1, 2005**; the Department does not accept the postmark date. No authority exists for granting any extension of time for filing or payment. Any insurer that fails to report or pay tax will be subject to penalty in accordance with ACA 26-57-607.

For questions concerning the completion of tax forms, contact the Accounting Division at (501) 371-2605 or email us at [insurance.accounting@arkansas.gov](mailto:insurance.accounting@arkansas.gov)

**Do not mail the premium tax forms and checks with the annual statement or any other correspondence. Premium tax forms and payments must be mailed to the following address:**

**Arkansas Insurance Department  
Accounting Division  
1200 West Third Street  
Little Rock AR 72201-1904**

THE FOLLOWING FORMS ARE TO BE RETURNED TO THE ADDRESS NOTED ON EACH FORM.  
DO NOT INCLUDE WITH THE PREMIUM TAX FILINGS:

CORPORATE FRANCHISE TAX:

Remit to the Office of the Secretary of State, Attention: Charlotte Martin, 1401 Capitol Ave., Victory Bldg., Suite 250, Little Rock AR 72201.

2004 MANDATORY ARKANSAS  
COMPREHENSIVE HEALTH INS  
POOL (CHIP)

This form can be downloaded at [www.arkansas.gov/insurance/](http://www.arkansas.gov/insurance/)  
scroll down and click on Arkansas Comprehensive Health Ins Pool.  
If you have any questions, direct inquiries to (501) 370-2659. Mail  
to the address on the form.

## **INSTRUCTIONS FOR AID AC LD-T(D) (Annual Report Of Premiums, Taxes, And Fees)**

### **SECTION A(1) AND B(5): DIRECT WRITTEN PREMIUMS**

A complete explanation of any differences between the tax form, the Arkansas State Business Page, and Schedule T must be attached.

### **SECTION A(3):**

#### **Life and/or Health Insurers and Health Maintenance Organization Salary Offset § 26-57-604**

Companies licensed to write accident and health insurance may take a credit for noncommissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% tax on accident and health premiums. The offset may not reduce tax due on accident and health premiums by more than 80%. The criteria for the credit are in Schedule IC-PT, (page 4 of AID AC PC-T (annual report of premiums, taxes, and fees).

### **SECTION C: INFORMATION REGARDING THE ARKANSAS CREDITS**

#### **Domiciled Insurers' Credit for Fees Payable to Other Jurisdictions §§ 23-62-703, 26-57-615, Rule 56**

Arkansas Insurers may take a credit for the difference between the home state amount and the Arkansas amount for any retaliatory fee assessed because of the financial regulatory fee contained in the State Insurance Department Trust Fund Act of 1993. The maximum tax credit is 90% of the premium tax. The criteria for the credit is in Section B of the annual report of premiums, taxes, and fees.

#### **Arkansas Life and Health Guaranty Fund Assessment Credit § 23-96-115**

The Life and Health Guaranty Fund Association will issue a notice of the available credit. Questions regarding the credit should be directed to the LHGF office at (501) 371-2776.

#### **Arkansas Comprehensive Health Insurance Pool § 23-79-507**

The CHIP administrator will issue a notice of the available credit. Questions regarding the credit should be directed to the CHIP office at (501) 370-2659.

#### **Affordable Neighborhood Housing Tax Credit §§ 15-5-1303 to 15-5-1304**

Insurers that perform affordable housing assistance activities may take a premium tax credit for up to 30% of the total amount invested and not to exceed \$750,000 in any taxable year. Program must meet standards of and be approved by Arkansas Development Finance Authority.

#### **Low-Income Housing Tax Credit § 26-51-1702**

Insurers are allowed a state income or premium tax credit equal to 20% of the federal low-income housing tax credit not to exceed \$250,000 in any taxable year. The credit is available for insurers that own an interest in a qualified project for which the Arkansas Development Finance Authority has issued an eligibility statement.

#### **County or Regional Industrial Development Corporation on Limited Liability Company § 15-4-1224**

Insurers may take a premium tax credit for investments in a county or regional industrial development firm. The credit is equal to 33.33% of the actual purchase price of stock or units of interest and fees paid (with limitations). The maximum credit in one tax year is 50% of the net premium tax liability. Excess may be carried forward for three years.

**Capital Development Corporation Tax Credit §§ 15-4-1026, 15-4-1029(f)(1)**

Person who purchases an equity interest in a capital development company between 2003 through 2013 is entitled to a credit against any state income tax liability or premium tax liability, which may be imposed on the purchaser for any tax year commencing with the tax year, which is two years after the date of the purchase. The credit shall be equal to thirty-three and one-third ( $33 \frac{1}{3}$ ) of the actual purchase price paid for the equity interest to the company, including any fees or commissions to underwriters or sales agents paid by the company. No fees or commissions in excess of fifteen percent (15%) of the total purchase price may be considered in calculating the amount of the credit. In any one-tax year, the credit shall not exceed fifty percent (50%) of the net state income tax liability or premium tax liability of the taxpayer after all other credits or reductions in tax have been calculated. No credit under this section is allowed for any tax year after December 31, 2019. Upon dissolution, if the proceeds from the purchase of the equity interest have not been used for the purposes stated in § 15-4-1016 or for operating expenses, then each person who previously claimed a tax credit with respect to that purchase, the tax imposed for the year the dissolution occurs shall be increased by the tax credit amount associated with the unused purchase proceeds.

**SECTION G:**

The amount of quarterly prepayments must agree with the ACTUAL prepayment amounts paid each quarter.  
**DO NOT ROUND AMOUNTS.**

Make one check payable to the State Treasurer of Arkansas and attach to the form. Checks for groups are not acceptable. Payment must be made for each individual company.

**REFUNDS:**

If a negative amount results, it cannot be carried forward. A refund will be processed after the audit is completed.

**If a refund is due for AID AC LD-T (D) (annual report of premiums, taxes, and fees) check the line on page 1, in the upper right hand corner of the form.**



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ACCOUNTING DIVISION  
DUE MARCH 1, 2005

**ARKANSAS DOMESTICS ONLY****ANNUAL REPORT OF PREMIUMS, TAXES AND FEES  
OF LIFE AND ACCIDENT AND HEALTH INSURANCE COMPANIES**

\_\_\_ ORIGINAL FILING  
\_\_\_ AMENDED FILING  
\_\_\_ REFUND DUE

STATE OF DOMICILE		NAIC COMPANY CODE (5 digit code)
COMPANY NAME		
MAILING ADDRESS		
CONTACT PERSON		
TELEPHONE NUMBER	EXT	FAX NUMBER
EMAIL ADDRESS		

**READ INSTRUCTIONS CAREFULLY BEFORE COMPLETING FORM:****A. LIFE PREMIUMS:**

PAGE 25, COLUMN 5, LINE 1

- |   |              |
|---|--------------|
| 1. Direct Written Premiums  | \$ _____     |
| 2. Tax Thereon 2 1/2%   | \$ _____     |
| 3. AR Salaries Credit (Schedule ICPT)- <b>NOT TO EXCEED 70% OF LINE 2</b> | \$ ( _____ ) |
| 4. Net Premium Tax  | \$ _____     |

**B. ACCIDENT AND HEALTH PREMIUMS:**

PAGE 25, COLUMN 1 LINE 26 (EXCLUDING 24.1)

- |   |              |
|---|--------------|
| 5. Direct Written Premiums  | \$ _____     |
| 6. Less Dividends Paid or Credited  | \$ ( _____ ) |
| 7. Net Accident and Health Premiums                                       | \$ _____     |
| 8. Tax Thereon 2 1/2%   | \$ _____     |
| 9. AR Salaries Credit (Schedule ICPT)- <b>NOT TO EXCEED 80% OF LINE 8</b> | \$ ( _____ ) |
| 10. Net Premium Tax   | \$ _____     |

**C. TOTAL PREMIUM TAX:**

- |                  |          |
|------------------|----------|
| 11. A(4) + B(10) | \$ _____ |
|------------------|----------|

**D. CREDITS**

- |   |              |
|---|--------------|
| 12. AR Regulatory Fee Credit (Schedule B)                         | \$ ( _____ ) |
| 13. AR Life & Health Guaranty Fund Assessment Credit              | \$ ( _____ ) |
| 14. AR Comprehensive Health Ins Pool (CHIP) Credit                | \$ ( _____ ) |
| 15. Affordable Neighborhood Housing Credit                        | \$ ( _____ ) |
| 16. Low Income Housing Tax Credit                                 | \$ ( _____ ) |
| 17. SUBTOTAL LINE 11 LESS 12 THRU 16                              | \$ _____     |
| 18. County and Regional Industrial Development Corporation Credit | \$ ( _____ ) |
| 19. Capital Development Corporation Tax Credit                    | \$ ( _____ ) |

**E. NET PREMIUM TAX DUE:**

20. D(17) LESS 18,19 \$ \_\_\_\_\_  
**FIGURE CANNOT BE LESS THAN ZERO**
**F. FEES:**

21. Filing Annual Statement \$ 50.00  
22. Certificate of Authority Renewal \$ 100.00  
23. Total Fees Due \$ 150.00

**G. PREMIUM TAXES AND FEES DUE:**

24. Lines E(20) + F(23) \$ \_\_\_\_\_  
25. Less 2004 Quarterly Prepayments from below \$(\_\_\_\_\_)
26. **Net Payment Due** \$ \_\_\_\_\_

## 2004 FORM AID AC EST-Q QUARTERLY PREPAYMENTS

3/31/04	check #	\$
6/30/04	check #	\$
9/30/04	check #	\$

\*\*\*\*\*PAYMENTS AND REFUNDS\*\*\*\*\*

1. **MAKE CHECK PAYABLE TO THE STATE TREASURER OF THE STATE OF ARKANSAS AND ATTACH TO THIS FORM.**  
CHECKS FOR GROUPS ARE NOT ACCEPTABLE PAYMENT MUST BE MAKE FOR EACH INDIVUAL COMPANY.
2. DO NOT TAKE ANY CREDITS FOR PRIOR YEAR OVERPAYMENTS.
3. IF THE NET PAYMENT RESULTS IN A REFUND, DO NOT SEND A CHECK FOR THE FEES.
4. REFUNDS WILL BE SENT AFTER THE RETURN IS AUDITED.

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**SCHEDULE B**
**PREFATORY NOTE:**

ACA 26-57-615 provides that insurers organized or domiciled under the laws of the State of Arkansas may have a credit against premium tax otherwise due and payable pursuant to ACA 26-57-603(d) based upon the effect, if any, that Arkansas' "administrative and financial regulation fee" may have in increasing the "comparable fee" or retaliatory fees that must be paid by that Arkansas domestic in any other state in which it may do business.

**CALCULATION OF CREDIT:**

1. Amount by which **comparable** administrative and financial regulation fee in other states of licensure was legally increased by reason of the Arkansas fee [attach state-by-state three column breakdown displaying what fee would have been paid, what fee was assessed and paid because of the Arkansas fee, and the amount of the difference (**between the fees only**)]: \$ \_\_\_\_\_
2. The administrative and financial regulation fee paid in other states of licensure required by retaliatory laws of such state to be paid even though such state imposes "**no comparable fee**" (attach state-by-state columnar breakdown displaying amounts paid and reference other states' retaliatory laws: \$ \_\_\_\_\_
3. Total of Items 1 and 2 \$ \_\_\_\_\_
4. Total Arkansas Taxes (ENTER AMOUNT FROM SECTION C LINE 11) \$ \_\_\_\_\_
5. 90% of Line 4 (not to exceed Line 3) ENTER AMOUNT IN SECTION D LINE 12 \$(\_\_\_\_\_)

**SCHEDULE IC-PT**

**LIFE AND /OR ACCIDENT AND HEALTH INSURERS AND HEALTH MAINTENANCE  
ORGANIZATION SALARY ANNUAL OFFSET**

**Each** authorized life or accident and health insurer, including an HMO, may take an annual credit for non-commissioned salaries and wages of the insurer's Arkansas employees as an offset against the 2.5% direct written tax on life and or accident and health insurance. The offset may not reduce tax due on accident & health premiums by more than 80%: or due on life premiums by more than 70%. The employee must be a non-commissioned hire and have been employed 6 months in Arkansas for the wages to qualify.

The Company reports as follows:

1. Number of non-commissioned Arkansas employees employed for a minimum of six (6) months as of the last day of the calendar year to which this report applies: \_\_\_\_\_
2. Amount of non-commissioned salaries and wages paid to individuals listed in item 1 above: \_\_\_\_\_.
3. Attach complete addresses of Company's Arkansas offices, which are staffed with individuals listed in Item 1. Attach as many additional sheets as necessary.

**AFFIDAVIT**

State of \_\_\_\_\_ County of \_\_\_\_\_

Comes \_\_\_\_\_ and states on oath that he/she is the

\_\_\_\_\_ of \_\_\_\_\_  
(Title) (Name of Company)

and that the foregoing statements are true and correct as shown by the records of said Company.

\_\_\_\_\_  
(ORIGINAL SIGNATURE OF OFFICER)

Subscribed and sworn to or affirmed before me, the undersigned Notary Public, on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

My Commission Expires \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC